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November 23, 2005

Via Facsimile (202) 219-3923
and Regular U.S. Mail

Federal Election Commission
Attn: General Counsel's Office
Washington, DC 20463

RE: *Rowena Ann Reno v. Michael Turner & Turner for Congress*
Case No.: MUR 5591
Our File Number: 20853

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2005 NOV 28 A 9:34

To Whom It May Concern:

Please be advised the undersigned is submitting on behalf of The Montgomery County Republican Party the reply to the complaint referenced above.

Thank you for your attention to the foregoing.

Sincerely,


Karl H. Schneider

KHS/kaw

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

ROWENA ANN RENO,

Complainant,

v.

MICHAEL TURNER &
TURNER FOR CONGRESS,

Respondent.

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MUR #5591

RECEIVED
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REPLY OF THE MONTGOMERY COUNTY REPUBLICAN PARTY TO COMPLAINT

1. The Montgomery County Republican Party ("Party") is a political party organized in the State of Ohio under the Ohio Revised Code. The Party requests that this matter and reply be kept confidential pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A).
2. In May, 2004, the Ohio Secretary of State, Ohio's chief elections' officer, commenced an investigation *sua sponte* of the Party, and in particular the Party's use of its Operating Account to compensate its Chairman and consultants. The scope of that investigation was to determine if Ohio's campaign finance laws had been violated relative to the use of the Party's Operating Account to remunerate its then Chairman and consultants. The investigation sought relevant Operating Account records of the Party, conducted interviews and the perpetuated the sworn deposition testimony of Sheila Fales, Clare Tully, Betty Smith, Sue Finley and Linda Timmons. The Ohio Secretary of State, via correspondence issued to the Party's current Chairman, and dated January 28, 2005, and with respect to Ohio campaign finance laws, determined:

Our investigation indicated there has been no use of Montgomery County operating account funds for the purpose of influencing the results of an election as interpreted by the Ohio Elections Commission in Common Cause v U.S. Chamber of Commerce, Case No. 2000E-58. . . (See Exhibit A appended hereto.)

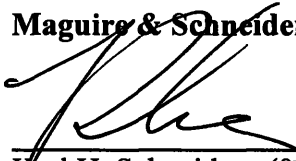
3. The Ohio Secretary of State's investigation included the subject of remuneration to James S. Nathanson ("Nathanson") from the Party's Operating Account for activities performed as a consultant to the Party, including services provided during the relevant time period averred in the Complaint.

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4. The Party has maintained, and continues to maintain that Nathanson's consulting was on behalf of the Party, and during the relevant time frame, he was serving as an interim chairman or quasi-chair while the then Chairman was involved in Ohio Senate activities which were time consuming. Nathanson's services ranged from strategic planning for the benefit of the Party, oversight of Party headquarters' operations, polling and budgetary services for the Party. In this role, Nathanson performed the functions of a Party officer, albeit on a contract basis, and was never engaged by Turner for Congress. Any strategy or advisory role was performed for the benefit of the Party, no different than if the Party Chairman personally performed those services.
 5. The complainant's allegations suggest that if a political party strategizes for the benefit of the political party and one or more of its candidates incidentally benefit, that that would constitute a contribution made by the Party. The Party disagrees with this contention. This Party has acted no differently than thousands of other political parties around the United States. Political parties have missions, and parties often support and endorse candidates. The complainant's logic is that an endorsement of a candidate, or the distribution of a slate card, or providing polling services or otherwise providing general, overall advice would be a reportable contribution by the Party to every such beneficiary candidate. That logic is severely flawed. Political parties generally have officers and some have employees. In the State of Ohio, during the relevant time period, political parties were permitted to make certain enumerated expenditures from their operating account. The expenditures of this Party's Operating Account were tested and investigated, and the Ohio Secretary of State, applying Ohio law, made his determination that the expenditures were permitted, including the remuneration to Nathanson, which represents the subject of this complaint.
 6. Based on the foregoing, the Party urges the The Federal Elections Commission to take no further action with regard to the complaint.

Respectfully submitted,

Maguire & Schneider, L.L.P.


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J. KENNETH BLACKWELL
Ohio Secretary of State

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January 28, 2005

VIA U.S. MAIL AND FACSIMILIE TRANSMISSION

John White, Chairman, Montgomery County Republican Party
4744 Bokay Drive
Kettering, OH 45440

Dear Mr. White:

This letter is in reference to the campaign finance investigation conducted by the Secretary of State, resulting from several allegations of violations of Ohio campaign finance laws related to the use of operating account funds and fundraising tactics.

Issues, which have been presented to the office of the Secretary of State, fell within the following categories:

Improper Use of the Montgomery County Republican Party Operating Account funds for campaign activity:

- In the payments to consultants through the "operating account fund" and;
- Payments to the party Chairman.

A review of the current records you provided to us through access to your staff consisted of records of bank accounts, ledgers of account disbursements, records of credit card transactions and reports of financial transactions from accountants. We also interviewed or deposed persons responsible for producing financial reports, or performing bookkeeping functions for the Montgomery County Republican Party. We followed up and interviewed current and former employees from the Montgomery County Republican Party and researched records available based upon information from subpoenas, depositions and transactions compiled from the reports.

After a review and analysis of the records, depositions, and interviews we have concluded our investigation. Our investigation indicated there has been no use of Montgomery County operating account funds for the purpose of influencing the results of an election as interpreted by the Ohio Elections Commission in *Common Cause v U.S. Chamber of Commerce*, Case No.2000E-58 or Ohio Elections Commission Opinion

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98ELC-06. In these cases and other opinions the Ohio Election Commission has reviewed the activities associated with the application of Ohio Revised Code Sections 3599.03, 3517.10, 3517.13 and opined that the determinative factor in these matters is whether or not the activities can be defined as influencing the results of an election. The Commission appears to regard the matter of compensation of a political party chairman by a political party as a matter to be determined under the contract laws of the state and terms of the agreement are outside of the jurisdiction of the Commission.

However, in regard to sound accounting practices as reviewed by our investigators there appears to be an inability to verify whether or not certain items claimed as payments in the form of reimbursement expenditures were in fact reimbursements because of the lack of documentation. Sound record keeping practices dictate that entries noting reimbursements of expenditures must be accompanied with some documentation to support the expenditure. These are areas where improvement is needed, even though there is no evidence to support some other improper use of these funds. Improvement in this area will assist in assuaging any future allegations of impropriety and will enable a proper audit to be done without irregularities.

Therefore, you are advised that our investigation of your operating account fund is complete and there have been no violations of campaign finance laws found.

Sincerely,

J. KENNETH BLACKWELL

Cassandra L. Hicks

Cassandra L. Hicks
General Counsel
Office of the Secretary of State

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